



C A L I F O R N I A D E P A R T M E N T O F

Mental Health

Division of Program Compliance – Audits Branch
1515 Clay Street, Suite 1109, Oakland, CA 94612
(510) 622-2584, FAX (510) 622-2585

November 18, 2009

Leslie Tremaine, Ed.D., Director
Santa Cruz County Mental Health and
Substance Abuse Services
1400 Emeline Avenue, Bldg. K
Santa Cruz, CA 95060

Dear Dr. Tremaine:

AUDIT REPORT – SANTA CRUZ COUNTY MENTAL HEALTH SERVICES

We have examined the Short-Doyle/Medi-Cal Cost Reporting and Data Collection (CR/DC) report of Santa Cruz County Mental Health Services for the fiscal period July 1, 2004 to June 30, 2005. Our examination was made in accordance with Section 14170 of the Welfare and Institutions Code and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the amount shown in the accompanying Summary of Net Federal Share of Federal Short-Doyle/Medi-Cal Program Costs and State General Fund under EPSDT program (Schedule 1) represents the actual net program costs allowable under the above mentioned statutes.

The effect of this revised allowable program costs is as follows:

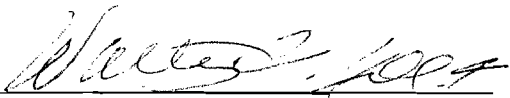
Net Program Costs				
		<u>Settled</u>	<u>Allowed</u>	<u>Adjustment</u>
Federal Share of Short-Doyle/Medi-Cal	\$	11,737,914	\$ 11,582,131	\$ (155,783)
Federal Share of Healthy Families/Medi-Cal	\$	184,582	\$ 172,767	\$ (11,815)
State General Funds EPSDT Due State	\$	3,481,268	\$ 3,469,375	\$ (11,893)

If you disagree with any of the results of this audit, you may request an informal appeal conference.

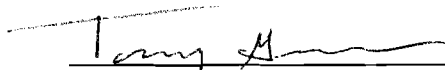
Leslie Tremaine, Ed.D., Director
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This request must be in writing and received by the Department of Health Care Services within sixty (60) calendar days following the date of receipt of this report. Your notice of disagreement should be directed to John Melton, Acting Chief, Administrative Appeals, Office of Legal Services, Department of Health Care Services, 1029 J Street, Suite 200, Sacramento, California 95814, and be in conformance with provisions of Sections 51016 and sequence, Title 22, of the California Code of Regulations.

Sincerely,



WALTER J. HILL, JR., MBA, EA
Chief of Audits



TONY GAAN, Supervisor
Audits - Bay and Central Region

Enclosures

Certified Mail

to 11/18/09

SCHEDULE 1

SANTA CRUZ COUNTY
COMMUNITY MENTAL HEALTH SERVICES
SUMMARY OF NET REIMBURSABLE MEDI-CAL PROGRAM COSTS
FISCAL YEAR ENDED JUNE 30, 2005

		<u>As Settled</u>	<u>Audit Adjustments</u>	<u>As Audited</u>
<u>NET REIMBURSABLE MEDI-CAL</u>				
<u>PROGRAM COSTS</u>				
<u>COUNTY PROVIDERS</u>				
MEDI-CAL - FFP	(Sch. 2a)	\$ 6,203,067	\$ 310,384	\$ 6,513,451
HEALTHY FAMILIES - FFP	(Sch. 2a)	70,104	(6,925)	63,179
TOTAL FFP - COUNTY PROVIDERS		<u>\$ 6,273,171</u>	<u>\$ 303,459</u>	<u>\$ 6,576,630</u>
<u>CONTRACT PROVIDERS</u>				
MEDI-CAL - FFP	(Sch. 3b)	\$ 5,534,847	\$ (466,167)	\$ 5,068,680
HEALTHY FAMILIES - FFP	(Sch. 3b)	114,478	(4,890)	109,588
TOTAL FFP - CONTRACT PROVIDERS		<u>\$ 5,649,325</u>	<u>\$ (471,057)</u>	<u>\$ 5,178,268</u>
<u>TOTAL FFP - COUNTY PLUS CONTRACT PROVIDERS</u>				
MEDI-CAL - FFP		\$ 11,737,914	\$ (155,783)	\$ 11,582,131
HEALTHY FAMILIES - FFP		184,582	(11,815)	172,767
TOTAL FFP - COUNTY PLUS CONTRACT PROVIDERS		<u>\$ 11,922,496</u>	<u>\$ (167,598)</u>	<u>\$ 11,754,898</u>
SUMMARY OF STATE GENERAL FUNDS				
EPSDT - SGF	(Sch 4)	<u>3,481,268</u>	<u>(11,894)</u>	<u>\$ 3,469,375</u>

SCHEDULE 2

**SANTA CRUZ COUNTY
COMMUNITY MENTAL HEALTH SERVICES
SUMMARY OF MEDI-CAL PROGRAM COSTS BY MODE OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2005**

COUNTY OPERATED FEDERAL

			Audit		
			As Settled	Adjustments	As Audited
<u>Total Medi-Cal Gross Reimbursement</u>					
1	Inpatient SD/MC and Crossover	(MH 1968, Ln 11, 11A)	\$ 0	\$ 0	\$ 0
2	Outpatient SD/MC and Crossover	(MH 1968, Ln 11, 11A)	9,021,830	(30,822)	8,991,008
3	Enhanced SD/MC (Children) - I/P	(MH1968, Ln 16, 16A)	0	0	0
4	Enhanced SD/MC (Children) - O/P	(MH1968, Ln 16, 16A)	26,512	(662)	25,850
5	Enhanced SD/MC (Refugees) - I/P	(MH1968, Ln 22)	0	0	0
6	Enhanced SD/MC (Refugees) - O/P	(MH1968, Ln 22)	0	0	0
7	Healthy Families Gross Reimbursement-I/P	(MH1968, Ln 27, 27A)	0	0	0
8	Healthy Families Gross Reimbursement-O/P	(MH1968, Ln 27, 27A)	82,740	(5,163)	77,577
9	Total		<u>\$ 9,131,082</u>	<u>\$ (36,646)</u>	<u>\$ 9,094,436</u>

Less: Patient & Other Payor Revenues

10	Inpatient SD/MC and Crossover	(MH 1968, Ln 28, 28A)	\$ 0	\$ 0	\$ 0
11	Outpatient SD/MC and Crossover	(MH 1968, Ln 28, 28A)	67,870	0	67,870
12	Enhanced SD/MC (Children)-I/P	(MH 1968, Ln 29)	0	0	0
13	Enhanced SD/MC (Children)-O/P	(MH 1968, Ln 29)	0	0	0
14	Enhanced SD/MC (Refugees) - I/P	(MH1968, Ln 30)	0	0	0
15	Enhanced SD/MC (Refugees) - O/P	(MH1968, Ln 30)	0	0	0
16	Healthy Families Patient Revenue-I/P	(MH 1968, Ln 31)	0	0	0
17	Healthy Families Patient Revenue-O/P	(MH 1968, Ln 31)	0	0	0
18	Total		<u>\$ 67,870</u>	<u>\$ 0</u>	<u>\$ 67,870</u>

Medi-Cal Net Reimbursement for Direct Services

19	Inpatient SD/MC (Incl Children Enhanced)	(Ln 1,3 - Ln 10,12)	\$ 0	\$ 0	\$ 0
20	Outpatient SD/MC (Incl Children Enhanced)	(Ln 2,4 - Ln 11,13)	8,980,472	(31,484)	8,948,988
21	Enhanced SD/MC (Refugees)-I/P	(Ln 5 - Ln 14)	0	0	0
22	Enhanced SD/MC (Refugees)-O/P	(Ln 6 - Ln 15)	0	0	0
23	Healthy Families-I/P	(Ln 7 - Ln 16)	0	0	0
24	Healthy Families-O/P	(Ln 8 - Ln 17)	82,740	(5,163)	77,577
25	Total		<u>\$ 9,063,212</u>	<u>\$ (36,646)</u>	<u>\$ 9,026,566</u>

Medi-Cal MAA Reimbursement

26	Service Functions 01-09	(MH1979, Ln 11, Col. A)	\$ 107,249	\$ 0	\$ 107,249
27	Service Functions 11-19, 31-39	(MH1979, Ln 12, Col. A)	207,101	(2,509)	204,592
28	Service Functions 21-19	(MH1979, Ln 13, Col. A)	63,456	(769)	62,687
29	Total		<u>\$ 377,806</u>	<u>\$ (3,278)</u>	<u>\$ 374,528</u>

SCHEDULE 2a

**SANTA CRUZ COUNTY
COMMUNITY MENTAL HEALTH SERVICES
SUMMARY OF MEDI-CAL PROGRAM COSTS BY MODE OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2005**

COUNTY OPERATED FEDERAL

<u>COUNTY OPERATED FEDERAL</u>			<u>Audit</u>		
			<u>As Settled</u>	<u>Adjustments</u>	<u>As Audited</u>
<u>Amount Negotiated Rates Exceed Cost</u>					
30. Inpatient SD/MC (Incl Children Enhanc)	(MH 1968, Ln 38, 38A)	\$	0	\$	0
31. Outpatient SD/MC (Incl Children Enhanc)	(MH 1968, Ln 38, 38A)		0		0
32. Enhanced SD/MC (Refugees)-I/P	(MH1968, Ln 39)		0		0
33. Enhanced SD/MC (Refugees)-O/P	(MH1968, Ln 39)		0		0
34. Healthy Families-I/P	(MH 1968, Ln 40, 40A)		0		0
35. Healthy Families-O/P	(MH 1968, Ln 40, 40A)		0		0
36. Total		\$	0	\$	0

Medi-Cal Administrative Reimbursement

37. Administrative Reimbursement Limit	(MH 1979, Ln 4)	\$	3,373,457	\$	(17,475)	\$	3,355,982
38. Medi-Cal Administration	(MH 1979, Ln 5)	\$	1,471,022	\$	735,501	\$	2,206,523
39. Medi-Cal Reimbursement	(Lower of Ln 37, Ln 38)	\$	1,471,022	\$	735,501	\$	2,206,523

Healthy Families Administrative Reimbursement

40. Healthy Families Administrative Reimbursement Limit	(MH1979, Ln 8)	\$	26,072	\$	(823)	\$	25,249
41. Healthy Families Administration	(MH1979, Ln 9)	\$	25,299	\$	(5,678)	\$	19,621
42. Healthy Families Administrative Reimbursement	(Lower of Ln 40, Ln 41)	\$	25,299	\$	(5,678)	\$	19,621

Utilization Review Reimbursement

43. Skilled Professional	(MH1979, Ln 14, Col. D)	\$	1,004,166	\$	(158,777)	\$	845,389
44. Other Medi-Cal U.R.	(MH1979, Ln 15, Col. D)	\$	30,903	\$	158,777	\$	189,680

Net SD/MC Reimbursement - FFP

45. Direct Services	(MH1979, Ln 16,16A)	\$	4,476,980	\$	(15,411)	\$	4,461,569
46. Enhanced (Children)	(MH1979, Ln 17,17A)		17,233		(430)		16,803
47. Enhanced (Refugees)	(MH1979, Ln 18)		0		0		0
48. MAA	(MH 1979, Ln 11, 12 & 13)		204,767		(1,831)		202,936
49. Administrative Reimbursement	(MH1979, Ln 6)		735,511		367,751		1,103,262
50. U.R. Skilled Professional	(MH1979, Ln 14)		753,125		(119,083)		634,042
51. U.R. Other	(MH1979, Ln 15)		15,452		79,388		94,840
52. Negotiated Rate-Payback	(MH1979, Ln 20)		0		0		0
53. Subtotal- FFP		\$	6,203,067	\$	310,383	\$	6,513,451

54. Contract Limitation Adjustment	(MH 1979, Ln 22)	\$	0	\$	0	\$	0
55. Quality Assurance Review Results	(Adj #)		0		0		0

56. Total SD/MC Reimbursement - FFP		\$	6,203,067	\$	310,383	\$	6,513,451
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Net Healthy Families Reimbursement - FFP

57. Healthy Families Net Reimbursement	(MH1979, Ln 24,24A)	\$	53,781	\$	(3,356)	\$	50,425
58. Negotiated Rate Exceed Costs	(MH1979, Ln 26)		0		0		0
59. Administrative Reimbursement	(MH1979, Ln 10)		16,444		(3,690)		12,754
60. Total Healthy Families Reimbursement - FFP		\$	70,225	\$	(7,046)	\$	63,179

61. Total - FFP (Ln 56 + Ln 60)		\$	6,273,292	\$	303,337	\$	6,576,630
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(To Sch. 1)

[illegible]

[illegible]

(To Sch 1)

SCHEDULE 4

**SANTA CRUZ COUNTY
COMMUNITY MENTAL HEALTH SERVICES
COMPUTATION OF EPSDT STATE SHARE PER AUDIT
FISCAL YEAR ENDED JUNE 30, 2005**

	<u>As Settled</u>	<u>Audit Adjustments</u>	<u>As Audited</u>
(1) SD/MC Actuals (MH 1979, Lns 16, 16A, 17, 17A, 18) (including contractors)	\$ 20,091,610	\$ (66,491)	\$ 20,025,119
(2) Total SD/MC Claims	28,004,590	(18,263)	27,986,327
(3) Percent % (Line 1/Line 2)	0.7174	(0.0019)	0.7155
(4) EPSDT Claims	13,709,897	(18,263)	13,691,634
(5) Actual Cost Settled EPSDT SD/MC (Line 3 X Line 4)	9,835,480	(39,116)	9,796,364
(6) Cost Settled Baseline for EPSDT	2,454,604	0	2,454,604
(7) Net Cost Settlement Amount (Line 5 - Line 6)	7,380,876	(39,116)	7,341,760
(8) 50% of Cost Settlement Amount (Line 7 x 50%)	3,690,438	(19,558)	3,670,880
(8a) FY 2001-02 EPSDT Settlement (48.64% of net cost (8))	1,655,825	0	1,655,825
(8b) Annual Local Growth (L. 8 - 8a)	2,034,613	(19,558)	2,015,055
(9) County Match 10% of Local Growth (8b x 10%)	203,461	(1,956)	201,506
(10) Net Cost Settlement Amount (L. 8 - 9)	3,486,977	(17,602)	3,469,375
(11) SGF Distribution (Settled and Audited)	3,486,977	(5,709)	3,481,268
(12) SGF Due State	\$ <u>(0)</u>	\$ <u>(11,893)</u>	\$ <u>(11,893)</u>

(To Sch. 1)

Source:

- (1) Total CFRS SD/MC actuals after final Settlement (Col. 1) and Audit (Col. 3) for Net Direct Outpatient Services (includes Mode 05 - SF's 20-94, Mode 10, and Mode 15)
- (2) Total SD/MC paid claims (total non-hospital, including PHF's) by County Submitting Claims (includes contract providers, excludes Healthy Families)
- (4) SD/MC paid claims for children under 21 years of age (full scope, non-hospital, including PHF's) including new aid codes by County of Beneficiary
- (6) Cost Settled Baseline for EPSDT for FY 2004-2005, includes increase for FFS/MC provider rate increase
- (7) Settlement amount prior to 10% match calculation (8) - (9)
- (11) SGF distribution (See DMH letter dated August 30, 2004 sent to Local Mental Health Directors)

Note: This amount may include payments not yet made but scheduled to be released as soon as funding becomes available. It may also include payments made in error in FY 06, which will be reversed in FY 06 and rescheduled for payment when funding becomes available.

- (12) Amount owed back to the state cannot be more than was paid.

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number 00044	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED COSTS</u>			
1	MH 1960	2	C	Encumbrances To adjust the encumbrances to agree with the County's records and supporting documentation. This contractors's Cost adjustments and County's Hours/Contract adjustments should be included in Other Adjustments.	\$ 308,845	\$ (308,845)	\$ 0
2	MH 1960	3	C	PAYMENTS TO CONTRACT PROVIDERS (COUNTY ONLY) To reclassify general operating, telecom, patient data, patient accounting, clerical support and department operating & labor costs from the County's Contractors to the County Administrative Costs.	\$ (14,561,767)	\$ 995,525	\$ (13,566,242)
3	MH 1960	4	C	OTHER ADJUSTMENTS To reclassify Contractors' Cost adjustments and County's Hours/Contract adjustments from Encumbrances to Other Adjustments.	\$ (6,798,560)	\$ 308,845	\$ (6,489,715)
4	MH 1960	8	C	ALLOWABLE COSTS FOR ALLOCATION To adjust allowable costs for allocation to reflect the effect of adjustments 1 through 3 above.	\$ 16,815,210	\$ 995,525	\$ 17,810,735
5	MH 1960	9	C	SD/MC ADMINISTRATION	\$ 1,471,022	\$ 834,270	\$ 2,305,292 *
6	MH 1960	10	C	HEALTHY FAMILIES ADMINISTRATION	\$ 25,299	\$ 14,348	\$ 39,647 *
7	MH 1960	11	C	NON-SD/MC ADMINISTRATION	\$ 259,032	\$ 146,907	\$ 405,939 *
8	MH 1960	12	C	TOTAL ADMINISTRATIVE COSTS To adjust SD/MC, Healthy Families and Non-SD/MC administrative costs as a result of adjustment 2 above. The distribution of SD/MC, Healthy Families and Non-SD/MC administrative costs was based on the reported administrative costs reflected on the cost reported.	\$ <u>1,755,353</u>	\$ <u>995,525</u>	\$ <u>2,750,878</u> *
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number 00044	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED COSTS</u>			
9	MH 1960	9	C	SD/MC ADMINISTRATION	** \$ 2,305,292	\$ (98,769)	\$ 2,206,523
10	MH 1960	10	C	HEALTHY FAMILIES ADMINISTRATION	** \$ 39,647	\$ (20,026)	\$ 19,621
11	MH 1960	11	C	NON-SD/MC ADMINISTRATION	** \$ 405,939	\$ 118,795	\$ 524,734
	MH 1960	12	C	TOTAL ADMINISTRATIVE COSTS	** \$ <u>2,750,878</u>	\$ <u>(0)</u>	\$ <u>2,750,878</u>
				To allocate SD/MC, Healthy Families and Non-SD/MC administrative costs based on the MAA percentage (84.00%). Outreach, Support and Healthy Families was considered before the SD/MC and Non-SD/MC could be determined.			
12	MH 1960	13	C	SKILLED PROFESSIONAL MEDICAL PERSONNEL	\$ 1,004,166	\$ (158,777)	\$ 845,389
13	MH 1960	14	C	OTHER SD/MC UTILIZATION REVIEW	\$ 30,903	\$ 158,777	\$ 189,680
	MH 1960	15	C	NON-SD/MC UTILIZATION REVIEW	\$ 400,000	\$ 0	\$ 400,000
	MH 1960	16	C	TOTAL UTILIZATION REVIEW COSTS	\$ <u>1,435,069</u>	\$ <u>0</u>	\$ <u>1,435,069</u>
				To reclassify Utilization Review Costs to move Operating costs from Skilled Professional Medical Personnel to Other SD/MC Utilization Review to agree with DMH regulation (DMH Letter 94-09).			
				<u>ADJUSTMENTS TO REPORTED ALLOWABLE SD/MC COST CONTRACT PROVIDERS</u>			
14	NH 1964	3	A	SCCCC - OTHER 24 HOUR SERVICES (05-65)	\$ 1,508,958	\$ (252,119)	\$ 1,256,839
	NH 1964	4	A	SCCCC - DAY SERVICES (MODE 10)	\$ 384,902	\$ 0	\$ 384,902
15	NH 1964	5	A	SCCCC - OUTPATIENT SERVICES (MODE 15)	\$ 4,679,036	\$ (9,849)	\$ 4,669,187
	NH 1964	6	A	SCCCC - OUTREACH SERVICES (MODE 45)	\$ 331,153	\$ 0	\$ 331,153
16	NH 1964	8	A	SCCCC - SUPPORT SERVICES (MODE 60)	\$ 305,856	\$ 261,969	\$ 567,825
				TOTAL	\$ <u>7,209,905</u>	\$ <u>0</u>	\$ <u>7,209,905</u>
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider				Provider Number	No. of Adj.	Fiscal Period Ended	
Santa Cruz				00044	109	June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED ALLOWABLE SD/MC COST CONTRACT PROVIDERS</u>			
17	MH 1964	3	1	FRONT STREET - OTHER 24 HOUR SERVICES (MODE 05 ALL OTHER SFC)	\$ 3,158,433	\$ (344,059)	\$ 2,814,374
	MH 1964	5	1	FRONT STREET - OUTPATIENT SERVICES (MODE 15 PROGRAM 1 + PROGRAM 2)	\$ 1,829,172	\$ 0	\$ 1,829,172
18	MH 1964	8	1	FRONT STREET - SUPPORT SERVICES (MODE 60)	\$ 142,988	\$ 344,059	\$ 487,047
				TOTAL	\$ <u>5,130,593</u>	\$ <u>0</u>	\$ <u>5,130,593</u>
				To reclassify room and board costs from Mode 05 and 15 to Mode 60, in accordance with the SD/MC Manual for the Rehabilitation Option and Targeted Case Management, and CAC, Title 9, Section 1840.312.			
19	MH 1964	1	1	MODE COSTS FROM MH 1960 (DIRECT SERVICES AND MAA)	\$ 16,818,851	\$ (995,522)	\$ 15,823,329
				To adjust contract provider costs to eliminate the County administrative costs explained in adjustment 2 above. The following contractors were affected:			
				SENECA CENTER 00115	\$ 32,523	\$ (1,577)	\$ 30,946
				DOMINICAN SC HOSPITAL 00232	1,311,782	(43,218)	1,268,564
				VOLUNTEER CENTER 00439	985,320	(41,122)	944,198
				SCCCC 00440	7,209,905	(460,786)	6,749,119
				FRONT STREET 00442	5,130,593	(275,922)	4,854,671
				FSA OF SANTA CRUZ 00443	365,851	(28,010)	337,841
				FAMILY SERVICE OF PAJARO VALLEY 00595	2,221	(296)	1,925
				PAJARO VALLEY PREVENTION AND STUDENT ASSISTANCE 00656	574,880	(55,961)	518,919
				PARENTS CENTER 00657	750,364	(72,489)	677,875
				UNITY 00964	455,412	(16,141)	439,271
				TOTALS	\$ <u>16,818,851</u>	\$ <u>(995,522)</u>	\$ <u>15,823,329</u>
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number 00044	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED TOTAL UOS/TIME COUNTY AND CONTRACT PROVIDERS</u>			
				<u>SANTA CRUZ COUNTY 00044</u>			
20	MH 1966	2	G	SFC 10-60	562	(204)	358
21	MH 1966	2	G	SFC 10-85	194	(109)	85
22	MH 1966	2	C	MHS 15-40	348,060	180	348,240
23	MH 1966	2	C	MHS 15-60	68,440	260	68,700
				Program 2			
				Program 2			
				<u>Volunteer Center 00439</u>			
24	MH 1966	2		SFC 15-01	26,771	(26,620)	151
25	MH 1966	2		SFC 15-10	16,282	25,335	41,617
26	MH 1966	2		SFC 15-30	39,275	(27,605)	11,670
27	MH 1966	2		SFC 15-40	262,977	28,890	291,867
				<u>SCCCC 00440</u>			
28	MH 1966	2	E	SFC 15-50	496,188	(58)	496,130
				<u>Pajaro Valley Prevention 00656</u>			
29	MH 1966	2	E	SFC 15-10	84,357	(24)	84,333
				To adjust total units of service to agree with the County's PSP 142 report.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number 00044	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED MEDICAL UNITS/TIME COUNTY PROVIDERS - PROGRAMS 1 AND 2</u>			
30	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04	1,188,513	(2,220)	1,186,293 *
31	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05	3,910,778	(7,769)	3,903,009 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04	380	0	380 *
32	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05	1,460	(315)	1,145 *
33	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04	2,035	(775)	1,260 *
34	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05	12,355	940	13,295 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05	0	0	0 *
35	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04	10,523	(640)	9,883 *
36	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05	32,938	(1,363)	31,575 *
37				TOTAL	<u>5,158,982</u>	<u>(12,142)</u>	<u>5,146,840</u> *
				To adjust the above mentioned settled units of service/time for the County Operated facilities to agree with the State DMH Approved Claims Report dated February 25, 2009 (Excluding disallowed claims of 480 uos/uot). The auditor submitted workpapers to the County which shows the details of the above adjustments. Phase II was included.			
38	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04	** 1,186,293	0	1,186,293 *
	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05	** 3,903,009	(722)	3,902,287 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04	** 380	0	380 *
	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05	** 1,145	0	1,145 *
	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04	** 1,260	0	1,260 *
	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05	** 13,295	0	13,295 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05	** 0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04	** 9,883	0	9,883 *
39	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05	** 31,575	0	31,575 *
				TOTAL	<u>** 5,146,840</u>	<u>(722)</u>	<u>5,146,118</u> *
				To adjust the State DMH Approved Claims Report dated February 25, 2009 to incorporate the results of the EPSDT audit findings dated March 3, 2008. This audit was conducted by the State DMH Oversight Branch.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number #REF!	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED MEDICAL UNITS/TIME COUNTY PROVIDERS - PROGRAMS 1 AND 2</u>			
40	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04 **	1,186,293	5,170	1,191,463 *
41	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05 **	3,902,287	12,954	3,915,241 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04 **	380	0	380 *
42	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05 **	1,145	315	1,460 *
43	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04 **	1,260	775	2,035 *
44	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05 **	13,295	(940)	12,355 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05 **	0	0	0 *
45	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04 **	9,883	640	10,523 *
46	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05 **	31,575	463	32,038 *
47				TOTAL **	<u>5,146,118</u>	<u>19,377</u>	<u>5,165,495 *</u>
				To adjust the SD/MC, Enhanced and Healthy Families units of service/time to agree with the County's records (Excluding disallowed claims of 480 uos/uot). The auditor submitted work papers to the County which shows the details of the above adjustments. Phase II was included.			
48	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04 **	1,191,463	0	1,191,463 *
	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05 **	3,915,241	(722)	3,914,519 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04 **	380	0	380 *
	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05 **	1,460	0	1,460 *
	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04 **	2,035	0	2,035 *
	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05 **	12,355	0	12,355 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05 **	0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04 **	10,523	0	10,523 *
49	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05 **	32,038	0	32,038 *
				TOTAL **	<u>5,165,495</u>	<u>(722)</u>	<u>5,164,773 *</u>
				To adjust the County's Record to incorporate the results of the EPSDT audit findings dated March 3, 2008. This audit was conducted by the State DMH Oversight Branch.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider				Provider Number	No. of Adj.	Fiscal Period Ended	
Santa Cruz				00044	109	June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED MEDICAL UNITS/TIME</u>			
				<u>COUNTY PROVIDERS - PROGRAMS 1 AND 2</u>			
50	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04	** 1,191,463	0	1,191,463 *
	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05	** 3,914,519	3,740	3,918,259 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04	** 380	0	380 *
	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05	** 1,460	0	1,460 *
	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04	** 2,035	0	2,035 *
	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05	** 12,355	0	12,355 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05	** 0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04	** 10,523	0	10,523 *
51	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05	** 32,038	0	32,038 *
				TOTAL	** <u>5,164,773</u>	<u>3,740</u>	<u>5,168,513</u> *
				To adjust the County's records to include the allowable suspense units that were not included in the PSP 356 Report.			
52	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04	** 1,191,463	(5,980)	1,185,483
53	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05	** 3,918,259	(20,432)	3,897,827
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04	** 380	0	380
54	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05	** 1,460	(315)	1,145
55	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04	** 2,035	(540)	1,495
56	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05	** 12,355	150	12,505
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05	** 0	0	0
57	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04	** 10,523	(655)	9,868
58	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05	** 32,038	(1,473)	30,565
59				TOTAL	** <u>5,168,513</u>	<u>(29,245)</u>	<u>5,139,268</u>
				To adjust the above mentioned units of service/time to incorporate the controls of the lower of DMH approved units vs. the County's records by SFC. The auditor submitted work papers to the County which shows details of the above adjustments. Phase II was included.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider				Provider Number	No. of Adj.	Fiscal Period Ended	
Santa Cruz				00044	109	June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED MEDICAL UNITS/TIME CONTRACT PROVIDERS</u>			
60	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04	1,053,949	819	1,054,768 *
61	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05	3,510,535	4,327	3,514,862 *
62	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04	0	49	49 *
63	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05	0	47	47 *
64	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04	3,058	(295)	2,763 *
65	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05	13,905	(332)	13,573 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05	0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04	20,182	0	20,182 *
66	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05	72,473	3,697	76,170 *
67				TOTAL	<u>4,674,102</u>	<u>8,312</u>	<u>4,682,414 *</u>
				To adjust the above mentioned settled units of service/time for Contract Providers to agree with the State DMH Approved Claims Report dated February 25, 2009 (Excluding disallowed claims of 12 uos/uot). The auditor submitted workpapers to the County which shows the details of the above adjustments.			
68	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04 **	1,054,768	(773)	1,053,995 *
69	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05 **	3,514,862	(362)	3,514,500 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04 **	49	0	49 *
	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05 **	47	0	47 *
	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04 **	2,763	0	2,763 *
	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05 **	13,573	0	13,573 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05 **	0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04 **	20,182	0	20,182 *
70	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05 **	76,170	0	76,170 *
				TOTAL **	<u>4,682,414</u>	<u>(1,135)</u>	<u>4,681,279 *</u>
				To adjust the State DMH Approved Claims Report dated February 25, 2009 to incorporate the results of the EPSDT audit findings dated March 3, 2008. This audit was conducted by the State DMH Oversight Branch.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number 00012	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED MEDICAL UNITS/TIME CONTRACT PROVIDERS</u>			
71	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04 **	1,053,995	496	1,054,491 *
72	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05 **	3,514,500	202	3,514,702 *
73	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04 **	49	(49)	0 *
74	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05 **	47	(46)	1 *
75	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04 **	2,763	295	3,058 *
76	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05 **	13,573	332	13,905 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05 **	0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04 **	20,182	0	20,182 *
77	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05 **	76,170	(3,287)	72,883 *
78				TOTAL	<u>4,681,279</u>	<u>(2,057)</u>	<u>4,679,222</u>
				To adjust the SD/MC, Enhanced and Healthy Families units of service/time to agree with the County's records (Excluding disallowed claims of 12 uos/uot). The auditor submitted work papers to the County which shows the details of the above adjustments. Phase II was included.			
79	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04 **	1,054,491	(773)	1,053,718 *
80	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05 **	3,514,702	(362)	3,514,340 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04 **	0	0	0 *
	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05 **	1	0	1 *
	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04 **	3,058	0	3,058 *
	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05 **	13,905	0	13,905 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05 **	0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04 **	20,182	0	20,182 *
81	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05 **	72,883	0	72,883 *
				TOTAL	<u>4,679,222</u>	<u>(1,135)</u>	<u>4,678,087</u> *
				To adjust the County's Record to incorporate the results of the EPSDT audit findings dated March 3, 2008. This audit was conducted by the State DMH Oversight Branch.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider				Provider Number	No. of Adj.	Fiscal Period Ended	
Santa Cruz				00044	109	June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED MEDICAL UNITS/TIME CONTRACT PROVIDERS</u>			
82	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04 **	1,053,718	0	1,053,718 *
	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05 **	3,514,340	454	3,514,794 *
	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04 **	0	0	0 *
	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05 **	1	0	1 *
	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04 **	3,058	0	3,058 *
	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05 **	13,905	0	13,905 *
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05 **	0	0	0 *
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04 **	20,182	0	20,182 *
83	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05 **	72,883	0	72,883 *
				TOTAL	<u>4,678,087</u>	<u>454</u>	<u>4,678,541</u>
				To adjust the County's records to include the allowable suspense units that were not included in the PSP 356 Report.			
84	MH 1966A	8	TOTAL	MEDI-CAL UNITS 07/01/04 - 09/30/04 **	1,053,718	(1,397)	1,052,321
85	MH 1966A	8A	TOTAL	MEDI-CAL UNITS 10/01/04 - 06/30/05 **	3,514,794	(5,305)	3,509,489
86	MH 1966A	9	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 07/01/04 - 09/30/04 **	0	49	49
87	MH 1966A	9A	TOTAL	MEDICARE/MEDI-CAL CROSSOVER UNITS 10/01/04 - 06/30/05 **	1	46	47
88	MH 1966A	10	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 07/01/04 - 09/30/04 **	3,058	(295)	2,763
89	MH 1966A	10A	TOTAL	ENHANCED SD/MC (CHILDREN) UNITS 10/01/04 - 06/30/05 **	13,905	(880)	13,025
	MH 1966A	10B	TOTAL	ENHANCED SD/MC (REFUGEES) UNITS 07/01/04 - 06/30/05 **	0	0	0
	MH 1966A	11	TOTAL	HEALTHY FAMILIES (SED) UNITS 07/01/04 - 09/30/04 **	20,182	0	20,182
90	MH 1966A	11A	TOTAL	HEALTHY FAMILIES (SED) UNITS 10/01/04 - 06/30/05 **	72,883	(326)	72,557
91				TOTAL	<u>4,678,541</u>	<u>(8,108)</u>	<u>4,670,433</u>
				To adjust the above mentioned units of service/time to incorporate the controls of the lower of DMH approved units vs. the County's records by SFC. The auditor submitted work papers to the County which shows details of the above adjustments.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number 00044	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED SD/MC SETTLEMENT COUNTY PROVIDERS</u>			
92	MH 1979	23	J	TOTAL SD/MC REIMBURSEMENT (INCLUDES ENHANCED SD/MC)	\$ 6,203,067	\$ 0	\$ 6,203,067
	MH 1979	27	J	TOTAL HEALTHY FAMILIES REIMBURSEMENT	\$ 70,225	\$ (121)	\$ 70,104
				TOTAL REIMBURSEMENT - COUNTY PROVIDERS	\$ <u>6,273,292</u>	\$ <u>(121)</u>	\$ <u>6,273,171</u>
				To adjust the SD/MC (FFP), Enhanced (FFP) and Healthy Families (FFP) to agree with the Final Settlement dated April 2, 2007.			
93 94	MH 1979	23	J	TOTAL SD/MC REIMBURSEMENT (INCLUDES ENHANCED SD/MC)	\$ 6,203,067	\$ 310,384	\$ 6,513,451
	MH 1979	27	J	TOTAL HEALTHY FAMILIES REIMBURSEMENT	\$ 70,104	\$ (6,925)	\$ 63,179
				TOTAL REIMBURSEMENT - COUNTY PROVIDERS	\$ <u>6,273,171</u>	\$ <u>303,459</u>	\$ <u>6,576,630</u>
				To adjust the SD/MC (FFP), Enhanced (FFP) and Healthy Families (FFP) due to adjustments to costs and units of service/time.			
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider				Provider Number	No. of Adj.	Fiscal Period Ended	
Santa Cruz				00044	109	June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO REPORTED SD/MC SETTLEMENT</u>			
				<u>CONTRACT PROVIDERS</u>			
95	MH 1979	23	J	TOTAL SD/MC REIMBURSEMENT (INCLUDES ENHANCED SD/MC)	\$ 5,534,847	\$ (236,401)	\$ 5,298,446
96	MH 1979	27	J	TOTAL HEALTHY FAMILIES REIMBURSEMENT	\$ 114,478	\$ (4,890)	\$ 109,588
				TOTAL REIMBURSEMENT - CONTRACT PROVIDERS	\$ <u>5,649,325</u>	\$ <u>(241,291)</u>	\$ <u>5,408,034</u> *
				To adjust the SD/MC (FFP) and Healthy Families (FFP) due to adjustments to costs and units of service/time.			
				Seneca Center 00115	\$ 16,262	\$ (789)	\$ 15,473
				Dominican Hosp 00232	166,268	24,784	191,052
				Volunteer Center 00439	238,056	(8,348)	229,708
				SCCCC 00440	2,794,441	(126,544)	2,667,897
				Front Street 00442	1,342,651	(68,955)	1,273,696
				FSA of Santa Cruz 00443	173,211	(14,155)	159,056
				FSA of Pajaro 00595	1,111	(148)	963
				Pajaro Valley Prev. 00656	278,373	(28,640)	249,733
				Parents Center 00657	429,558	(18,496)	411,062
				Unity Care Group 00964	209,395	(1)	209,394
					\$ <u>5,649,325</u>	\$ <u>(241,291)</u>	\$ <u>5,408,034</u>
97	Sch. 3b	Total	30	TOTAL REIMBURSEMENT - CONTRACT PROVIDERS **	\$ 5,408,034	\$ (229,766)	\$ 5,178,268
				To adjust Total Reimbursement - Contract Providers to limit FFP reimbursement due to insufficient matching funds.			
				Seneca Center LE# 00115 (Mode 10) (\$9,290)			
				Dominican Hospital LE# 00232 (Mode 10) (128,784)			
				Parents Center LE# 00657 (Mode 15) (91,692)			
				Totals <u>(\$229,766)</u>			
* Balance carried forward to subsequent adjustment.							
** Balance brought forward from prior adjustment.							

AUDIT ADJUSTMENTS

Provider Santa Cruz				Provider Number 00044	No. of Adj. 109	Fiscal Period Ended June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/Sch.	Line	Col.				
				<u>ADJUSTMENTS TO AS SETTLED EPSDT STATE GENERAL FUNDS</u>			
98	SCH 4	1	3	SD/MC ACTUALS To adjust SD/MC actuals as a result of adjustments to total computable Medical Costs as reflected in the MH 1979 forms for both the County Program and its contract providers. The amounts utilized for this purpose was SD/MC and Enhanced for Outpatient services only.	\$ 20,091,610	\$ (66,491)	\$ 20,025,119
99	SCH 4	2	3	TOTAL SD/MC CLAIMS	\$ 28,004,590	\$ (313,142)	\$ 27,691,448 *
100	SCH 4	4	3	EPSDT CLAIMS To adjust total SD/MC claims and EPSDT claims to include the results of the Department's audit of the EPSDT Program conducted by the State Department of Mental Health as reflected in the report dated March 3, 2008. The Report covered the period from July 1, 2004 through June 30, 2005. This represents the original recoupment.	\$ 13,709,897	\$ (313,142)	\$ 13,396,755 *
101	SCH 4	2	3	TOTAL SD/MC CLAIMS	** \$ 27,691,448	\$ 313,142	\$ 28,004,590 *
102	SCH 4	4	3	EPSDT CLAIMS To adjust total SD/MC claims and EPSDT claims to reverse the original recoupment included in adjustments 99 and 100 above. The revised findings affecting "Total SD/MC Claims and EPSDT Claims" will be taken in adjustments 103 and 104 below.	** \$ 13,396,755	\$ 313,142	\$ 13,709,897 *
103	SCH 4	2	3	TOTAL SD/MC CLAIMS	** \$ 28,004,590	\$ (18,263)	\$ 27,986,327
104	SCH 4	4	3	EPSDT CLAIMS To adjust total SD/MC claims and EPSDT claims to include the results of the Department's revised audit of the EPSDT Program conducted by the State Department of Mental Health as reflected in the report dated March 3, 2008. The Report covered the period from July 1, 2004 through June 30, 2005. This represents the revised recoupment.	** \$ 13,709,897	\$ (18,263)	\$ 13,691,634
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

AUDIT ADJUSTMENTS

Provider				Provider Number	No. of Adj.	Fiscal Period Ended	
Santa Cruz				00044	109	June 30, 2005	
Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				<u>ADJUSTMENTS TO AS SETTLED EPSDT STATE GENERAL FUNDS</u>			
105	SCH 4	10	3	NET COST SETTLEMENT AMOUNT To adjust net cost settlement amount as a result of adjustments to SD/MC actuals (Total Computable Medical), total SD/MC claims and EPSDT claims.	\$ 3,486,977	\$ (17,602)	\$ 3,469,375
106	SCH 4	11	3	STATE GENERAL FUND DISTRIBUTION To adjust State General Fund Distribution to include the results of the Department's audit of the EPSDT Program conducted by the State Department of Mental Health as reflected in the report dated March 3, 2008. The Report covered the period from July 1, 2004 through June 30, 2005. This represents the SGF original recoupment.	\$ 3,486,977	\$ (286)	\$ 3,486,691 *
107	SCH 4	11	3	STATE GENERAL FUND DISTRIBUTION To adjust State General Fund Distribution to reverse the original SGF recoupment included in adjustment 106 above. The revised findings affecting "State General Fund Distribution" will be taken in adjustments 108 below.	** \$ 3,486,691	\$ 286	\$ 3,486,977 *
108	SCH 4	11	3	STATE GENERAL FUND DISTRIBUTION To adjust the State General Fund Distribution to reflect the results of the revised EPSDT findings included in the final report dated March 3, 2008.	** \$ 3,486,977	\$ (5,709)	\$ 3,481,268 *
109	SCH 4	11	3	STATE GENERAL FUND DISTRIBUTION To adjust state general funds due State to incorporate the results of adjustments 98 through 108 above.	** \$ 3,481,268	\$ (11,893)	\$ 3,469,375
				* Balance carried forward to subsequent adjustment.			
				** Balance brought forward from prior adjustment.			

DETAIL COST REPORT

CALCULATION OF PROGRAM COSTS

MH 1960 (Rev. 7/05)

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

Legal Entity: SANTA CRUZ COUNTY		A	B	C
Legal Entity Number: 00044		Salaries and Benefits	Other	Total Costs
1	Mental Health Expenditures	16,326,200	21,582,403	37,908,603
2	Encumbrances			
3	Less: Payments to Contract Providers (County Only)		(13,566,242)	(13,566,242)
4	Other Adjustments from MH 1962	(3,499,155)	(2,990,560)	(6,489,715)
5	Total Costs Before Medi-Cal Adjustments	12,827,045	5,025,601	17,852,646
6	Medi-Cal Adjustments from MH 1961		(41,911)	(41,911)
7	Managed Care Consolidation (County Only)			
8	Allowable Costs for Allocation			17,810,735
	Administrative Costs (County Only)			
9	SD/MC Administration			2,206,523
10	Healthy Families Administration			19,621
11	Non-SD/MC Administration			524,734
12	Total Administrative Costs			2,750,878
	Utilization Review Costs (County Only)			
13	Skilled Professional Medical Personnel			845,389
14	Other SD/MC Utilization Review			189,680
15	Non-SD/MC Utilization Review			400,000
16	Total Utilization Review Costs			1,435,069
17	Research and Evaluation (County Only)			
18	Mode Costs (Direct Service and MAA)			13,624,788
19	Total Costs - Lines 9 through 18			17,810,735

DETAIL COST REPORT

MEDI-CAL ADJUSTMENTS TO COSTS

MH 1961 (Rev. 7/05)

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

Legal Entity: SANTA CRUZ COUNTY		A	B	C
Legal Entity Number: 00044		Salaries and Benefits	Other	Total Adjustments
1	Use Allowance		(234,049)	(234,049)
2	Depreciation		279,137	279,137
3	Interest		628,113	628,113
4	A-87 Adjustment		1,508	1,508
5	Intrafund Transfers		1,472,197	1,472,197
6	SB-163 Match		(220,773)	(220,773)
7	Managed Care		(1,720)	(1,720)
8	Non Mental Health Expenditures		(15,000)	(15,000)
9	Accruals		7,303	7,303
10	Building Cost Allocations		(234,342)	(234,342)
11	Patient Acctg & Data		(1,521,378)	(1,521,378)
12	Operating Costs Allocations		(202,907)	(202,907)
13				
14				
15				
16				
17				
18				
19				
20	Total Adjustments		(41,911)	(41,911)

DETAIL COST REPORT

OTHER ADJUSTMENTS

MH 1962 (Rev. 7/05)

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

Legal Entity: SANTA CRUZ COUNTY		A	B	C
Legal Entity Number: 00044		Salaries and Benefits	Other	Total Adjustments
1	ADP Admin	0	0	
2	Detention	(379,891)	(338,978)	(718,869)
3	FQHC	(3,019,264)	(999,354)	(4,018,618)
4	Inpatient Hospital	0	(858,255)	(858,255)
5	Dept of Rehab	(100,000)	(50,000)	(150,000)
6	State Hospital		(1,052,815)	(1,052,815)
7	Hours and Contractors Adjustments		308,845	308,845
8	Rounding		(3)	(3)
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Total Adjustments	(3,499,155)	(2,990,560)	(6,489,715)

DETAIL COST REPORT

PAYMENTS TO CONTRACT PROVIDERS

MH 1963 (Rev. 7/05)

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

A	B	C	D
Item	Legal Entity Name	Legal Entity Number	Amount Paid
1	Telecare	00108	77,902
2	Seneca Center	00115	27,604
3	Dominican	00232	1,209,248
4	Crestwood	00241	224,000
5	Volunteer Center	00439	837,665
6	SCCCC	00440	5,782,714
7	Front St.	00442	3,255,158
8	SC FSA	00443	302,954
9	PV FSA	00595	1,544
10	PV Prev & SA	00656	438,139
11	Parents Center	00657	584,511
12	7th Avenue	00849	406,313
13	Unity Care	00964	418,490
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
	Total Payments to Contract Providers		13,566,242

DETAIL COST REPORT

ALLOCATION OF COSTS TO MODES OF SERVICE

MH 1964 (Rev. 7/05)

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

Legal Entity: SANTA CRUZ COUNTY		A
Legal Entity Number: 00044		Total Costs
1	Mode Costs (Direct Service and MAA) from MH 1960	13,624,788
	Modes	
2	Hospital Inpatient Services (Mode 05-SFC 10-19)	
3	Other 24 Hour Services (Mode 05-All Other SFC)	61,297
4	Day Services (Mode 10)	141,597
5	Outpatient Services (Mode 15 Program 1 + Program 2)	12,479,147
6	Outreach Services (Mode 45)	228,334
7	Medi-Cal Administrative Activities (Mode 55)	425,448
8	Support Services (Mode 60)	288,965
9	Total - Lines 2 through 8	13,624,788

DETAIL COST REPORT

ALLOCATION OF COSTS TO SERVICE

FUNCTIONS - MODE TOTAL

MH 1966 (Rev. 7/05)

PAGE 1 OF 1

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

NR

Legal Entity: SANTA CRUZ COUNTY			A	B	C	D	E	F	G
Legal Entity Number: 00044			Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function	Service Function
Mode: 05 - Other 24 Hour Services (All Other SFC)				60					
1	Allocation Percentage		100.00%	100.00%					
2	Total Units			457					
3	Gross Cost		61,297	61,297					
4	Cost per Unit			134.13					
5	SMA per Unit								
6	Published Charge per Unit								
7	Negotiated Rate / Cost per Unit								
8	Medi-Cal Units	07/01/04 - 09/30/04							
8A		10/01/04 - 06/30/05							
9	Medicare/Medi-Cal Crossover Units	07/01/04 - 09/30/04							
9A		10/01/04 - 06/30/05							
10	Enhanced SD/MC (Children) Units	07/01/04 - 09/30/04							
10A		10/01/04 - 06/30/05							
10B	Enhanced SD/MC (Refugees) Units	07/01/04 - 06/30/05							
11	Healthy Families (SED) Units	07/01/04 - 09/30/04							
11A		10/01/04 - 06/30/05							
12	Non-Medi-Cal Units			457					
13	Medi-Cal Costs	07/01/04 - 09/30/04							
13A		10/01/04 - 06/30/05							
14	Medi-Cal SMA Upper Limits	07/01/04 - 09/30/04							
14A		10/01/04 - 06/30/05							
15	Medi-Cal Published Charges	07/01/04 - 09/30/04							
15A		10/01/04 - 06/30/05							
16	Medi-Cal Negotiated Rates	07/01/04 - 09/30/04							
16A		10/01/04 - 06/30/05							
17	Medicare/Medi-Cal Crossover Costs	07/01/04 - 09/30/04							
17A		10/01/04 - 06/30/05							
18	Medicare/Medi-Cal Crossover SMA Upper Limits	07/01/04 - 09/30/04							
18A		10/01/04 - 06/30/05							
19	Medicare/Medi-Cal Crossover Published Charges	07/01/04 - 09/30/04							
19A		10/01/04 - 06/30/05							
20	Medicare/Medi-Cal Crossover Negotiated Rates	07/01/04 - 09/30/04							
20A		10/01/04 - 06/30/05							
21	Enhanced SD/MC Costs	07/01/04 - 09/30/04							
21A		10/01/04 - 06/30/05							
22	Enhanced SD/MC SMA Upper Limits	07/01/04 - 09/30/04							
22A		10/01/04 - 06/30/05							
23	Enhanced SD/MC Published Charges	07/01/04 - 09/30/04							
23A		10/01/04 - 06/30/05							
24	Enhanced SD/MC Negotiated Rates	07/01/04 - 09/30/04							
24A		10/01/04 - 06/30/05							
25	Enhanced SD/MC (Refugees) Costs	07/01/04 - 06/30/05							
26	Enhanced SD/MC (Refugees) SMA Upper Limits	07/01/04 - 06/30/05							
27	Enhanced SD/MC (Refugees) Published Charges	07/01/04 - 06/30/05							
28	Enhanced SD/MC (Refugees) Negotiated Rates	07/01/04 - 06/30/05							
29	Healthy Families Costs	07/01/04 - 09/30/04							
29A		10/01/04 - 06/30/05							
30	Healthy Families SMA Upper Limits	07/01/04 - 09/30/04							
30A		10/01/04 - 06/30/05							
31	Healthy Families Published Charges	07/01/04 - 09/30/04							
31A		10/01/04 - 06/30/05							
32	Healthy Families Negotiated Rates	07/01/04 - 09/30/04							
32A		10/01/04 - 06/30/05							
33	Non-Medi-Cal Costs		61,297	61,297					

DETAIL COST REPORT

ALLOCATION OF COSTS TO SERVICE

FUNCTIONS - MODE TOTAL

MH 1966 (Rev. 7/05)

PAGE 1 OF 1

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

NR NR

Legal Entity: SANTA CRUZ COUNTY Legal Entity Number: 00044 Mode: 10 - Day Services			A	B	C	D	E	F	G
			Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function	Service Function
1	Allocation Percentage		100.00%	60	85				
2	Total Units			77.33%	22.67%				
3	Gross Cost		141,597	358	85				
4	Cost per Unit			109,500	32,097				
5	SMA per Unit			305.87	377.61				
6	Published Charge per Unit				189.33				
7	Negotiated Rate / Cost per Unit				207.79				
8					189.33				
8A	Medi-Cal Units	07/01/04 - 09/30/04			85				
9		10/01/04 - 06/30/05							
9A	Medicare/Medi-Cal Crossover Units	07/01/04 - 09/30/04							
10		10/01/04 - 06/30/05							
10A	Enhanced SD/MC (Children) Units	07/01/04 - 09/30/04							
10B		10/01/04 - 06/30/05							
11	Enhanced SD/MC (Refugees) Units	07/01/04 - 09/30/04							
11A		10/01/04 - 06/30/05							
11	Healthy Families (SED) Units	07/01/04 - 09/30/04							
11A		10/01/04 - 06/30/05							
12	Non-Medi-Cal Units			358					
13									
13A	Medi-Cal Costs	07/01/04 - 09/30/04	32,097		32,097				
14		10/01/04 - 06/30/05							
14A	Medi-Cal SMA Upper Limits	07/01/04 - 09/30/04	16,093		16,093				
15		10/01/04 - 06/30/05							
15A	Medi-Cal Published Charges	07/01/04 - 09/30/04	17,662		17,662				
16		10/01/04 - 06/30/05							
16A	Medi-Cal Negotiated Rates	07/01/04 - 09/30/04	16,093		16,093				
17		10/01/04 - 06/30/05							
17A	Medicare/Medi-Cal Crossover Costs	07/01/04 - 09/30/04							
18		10/01/04 - 06/30/05							
18A	Medicare/Medi-Cal Crossover SMA Upper Limits	07/01/04 - 09/30/04							
19		10/01/04 - 06/30/05							
19A	Medicare/Medi-Cal Crossover Published Charges	07/01/04 - 09/30/04							
20		10/01/04 - 06/30/05							
20A	Medicare/Medi-Cal Crossover Negotiated Rates	07/01/04 - 09/30/04							
21		10/01/04 - 06/30/05							
21A	Enhanced SD/MC Costs	07/01/04 - 09/30/04							
22		10/01/04 - 06/30/05							
22A	Enhanced SD/MC SMA Upper Limits	07/01/04 - 09/30/04							
23		10/01/04 - 06/30/05							
23A	Enhanced SD/MC Published Charges	07/01/04 - 09/30/04							
24		10/01/04 - 06/30/05							
24A	Enhanced SD/MC Negotiated Rates	07/01/04 - 09/30/04							
25		10/01/04 - 06/30/05							
25A	Enhanced SD/MC (Refugees) Costs	07/01/04 - 09/30/04							
26		10/01/04 - 06/30/05							
26A	Enhanced SD/MC (Refugees) SMA Upper Limits	07/01/04 - 09/30/04							
27		10/01/04 - 06/30/05							
27A	Enhanced SD/MC (Refugees) Published Charges	07/01/04 - 09/30/04							
28		10/01/04 - 06/30/05							
28A	Enhanced SD/MC (Refugees) Negotiated Rates	07/01/04 - 09/30/04							
29		10/01/04 - 06/30/05							
29A	Healthy Families Costs	07/01/04 - 09/30/04							
30		10/01/04 - 06/30/05							
30A	Healthy Families SMA Upper Limits	07/01/04 - 09/30/04							
31		10/01/04 - 06/30/05							
31A	Healthy Families Published Charges	07/01/04 - 09/30/04							
32		10/01/04 - 06/30/05							
32A	Healthy Families Negotiated Rates	07/01/04 - 09/30/04							
33		10/01/04 - 06/30/05							
33	Non-Medi-Cal Costs		109,500	109,500	0				

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FISCAL YEAR 2004 - 2005

NR NR NR NR NR NR

MM1965_MODE15_(1)

DETAIL COST REPORT

ALLOCATION OF COSTS TO SERVICE

FUNCTIONS - MODE TOTAL

MH 1966 (Rev. 7/05)

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FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

NR

Legal Entity: SANTA CRUZ COUNTY			H	I	J	K	L	M	N
Legal Entity Number: 00044			Service	Service	Service	Service	Service	Service	Service
Mode: 15 - Outpatient Services (Program 1)			Function	Function	Function	Function	Function	Function	Function
			70						
1	Allocation Percentage		4.79%						
2	Total Units		108,333						
3	Gross Cost		575,619						
4	Cost per Unit		5.31						
5	SMA per Unit		3.63						
6	Published Charge per Unit		3.99						
7	Negotiated Rate / Cost per Unit		3.63						
8	Medi-Cal Units	07/01/04 - 09/30/04	18,408						
8A		10/01/04 - 06/30/05	51,936						
9	Medicare/Medi-Cal Crossover Units	07/01/04 - 09/30/04							
9A		10/01/04 - 06/30/05							
10	Enhanced SD/MC (Children) Units	07/01/04 - 09/30/04							
10A		10/01/04 - 06/30/05	690						
10B	Enhanced SD/MC (Refugees) Units	07/01/04 - 06/30/05							
11	Healthy Families (SED) Units	07/01/04 - 09/30/04	225						
11A		10/01/04 - 06/30/05	1,465						
12	Non-Medi-Cal Units		35,609						
13	Medi-Cal Costs	07/01/04 - 09/30/04	97,809						
13A		10/01/04 - 06/30/05	275,958						
14	Medi-Cal SMA Upper Limits	07/01/04 - 09/30/04	66,821						
14A		10/01/04 - 06/30/05	188,528						
15	Medi-Cal Published Charges	07/01/04 - 09/30/04	73,448						
15A		10/01/04 - 06/30/05	207,225						
16	Medi-Cal Negotiated Rates	07/01/04 - 09/30/04	66,821						
16A		10/01/04 - 06/30/05	188,528						
17	Medicare/Medi-Cal Crossover Costs	07/01/04 - 09/30/04							
17A		10/01/04 - 06/30/05							
18	Medicare/Medi-Cal Crossover SMA Upper Limits	07/01/04 - 09/30/04							
18A		10/01/04 - 06/30/05							
19	Medicare/Medi-Cal Crossover Published Charges	07/01/04 - 09/30/04							
19A		10/01/04 - 06/30/05							
20	Medicare/Medi-Cal Crossover Negotiated Rates	07/01/04 - 09/30/04							
20A		10/01/04 - 06/30/05							
21	Enhanced SD/MC Costs	07/01/04 - 09/30/04							
21A		10/01/04 - 06/30/05	3,665						
22	Enhanced SD/MC SMA Upper Limits	07/01/04 - 09/30/04							
22A		10/01/04 - 06/30/05	2,505						
23	Enhanced SD/MC Published Charges	07/01/04 - 09/30/04							
23A		10/01/04 - 06/30/05	2,753						
24	Enhanced SD/MC Negotiated Rates	07/01/04 - 09/30/04							
24A		10/01/04 - 06/30/05	2,505						
25	Enhanced SD/MC (Refugees) Costs	07/01/04 - 06/30/05							
26	Enhanced SD/MC (Refugees) SMA Upper Limits	07/01/04 - 06/30/05							
27	Enhanced SD/MC (Refugees) Published Charges	07/01/04 - 06/30/05							
28	Enhanced SD/MC (Refugees) Negotiated Rates	07/01/04 - 06/30/05							
29	Healthy Families Costs	07/01/04 - 09/30/04	1,196						
29A		10/01/04 - 06/30/05	7,784						
30	Healthy Families SMA Upper Limits	07/01/04 - 09/30/04	817						
30A		10/01/04 - 06/30/05	5,318						
31	Healthy Families Published Charges	07/01/04 - 09/30/04	898						
31A		10/01/04 - 06/30/05	5,845						
32	Healthy Families Negotiated Rates	07/01/04 - 09/30/04	817						
32A		10/01/04 - 06/30/05	5,318						
33	Non-Medi-Cal Costs		189,206						

DETAIL COST REPORT

ALLOCATION OF COSTS TO SERVICE

FUNCTIONS - MODE TOTAL

MH 1966 (Rev. 7/05)

PAGE 1 OF 2

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

			TBS	ASO	ASO	ASO	MHS	MHS
Legal Entity: SANTA CRUZ COUNTY			A	B	C	D	E	F
Legal Entity Number: 00044			Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function
Mode: 15 - Outpatient Services (Program 2)				50	30	40	60	30
1	Allocation Percentage		100.00%		0.23%	1.53%	0.00%	4.88%
2	Total Units				2,040	13,080	30	16,320
3	Gross Cost		464,273		1,066	7,083	14	22,643
4	Cost per Unit				0.52	0.54	0.47	1.39
5	SMA per Unit			2.44	2.44	2.44	4.51	2.44
6	Published Charge per Unit							
7	Negotiated Rate / Cost per Unit							
8	Medi-Cal Units	07/01/04 - 09/30/04			420	1,440		4,860
8A		10/01/04 - 06/30/05			1,620	10,680	30	11,340
9	Medicare/Medi-Cal Crossover Units	07/01/04 - 09/30/04						
9A		10/01/04 - 06/30/05						
10	Enhanced SD/MC Units	07/01/04 - 09/30/04						60
10A		10/01/04 - 06/30/05						60
10B	Enhanced SD/MC (Refugees) Units	07/01/04 - 06/30/05						
11	Healthy Families (SED) Units	07/01/04 - 09/30/04						
11A		10/01/04 - 06/30/05						
12	Non-Medi-Cal Units					960		180
13	Medi-Cal Costs	07/01/04 - 09/30/04	116,346		219	780		6,743
13A		10/01/04 - 06/30/05	343,507		847	5,783	14	15,734
14	Medi-Cal SMA Upper Limits	07/01/04 - 09/30/04	309,493		1,025	3,514		11,858
14A		10/01/04 - 06/30/05	919,659		3,953	26,059	135	27,670
15	Medi-Cal Published Charges	07/01/04 - 09/30/04						
15A		10/01/04 - 06/30/05						
16	Medi-Cal Negotiated Rates	07/01/04 - 09/30/04						
16A		10/01/04 - 06/30/05						
17	Medicare/Medi-Cal Crossover Costs	07/01/04 - 09/30/04						
17A		10/01/04 - 06/30/05						
18	Medicare/Medi-Cal Crossover SMA Upper Limits	07/01/04 - 09/30/04						
18A		10/01/04 - 06/30/05						
19	Medicare/Medi-Cal Crossover Published Charges	07/01/04 - 09/30/04						
19A		10/01/04 - 06/30/05						
20	Medicare/Medi-Cal Crossover Negotiated Rates	07/01/04 - 09/30/04						
20A		10/01/04 - 06/30/05						
21	Enhanced SD/MC Costs	07/01/04 - 09/30/04	258					83
21A		10/01/04 - 06/30/05	1,486					83
22	Enhanced SD/MC SMA Upper Limits	07/01/04 - 09/30/04	586					146
22A		10/01/04 - 06/30/05	4,045					146
23	Enhanced SD/MC Published Charges	07/01/04 - 09/30/04						
23A		10/01/04 - 06/30/05						
24	Enhanced SD/MC Negotiated Rates	07/01/04 - 09/30/04						
24A		10/01/04 - 06/30/05						
25	Enhanced SD/MC (Refugees) Costs	07/01/04 - 06/30/05						
26	Enhanced SD/MC (Refugees) SMA Upper Limits	07/01/04 - 06/30/05						
27	Enhanced SD/MC (Refugees) Published Charges	07/01/04 - 06/30/05						
28	Enhanced SD/MC (Refugees) Negotiated Rates	07/01/04 - 06/30/05						
29	Healthy Families Costs	07/01/04 - 09/30/04						
29A		10/01/04 - 06/30/05	1,096					
30	Healthy Families SMA Upper Limits	07/01/04 - 09/30/04						
30A		10/01/04 - 06/30/05	3,631					
31	Healthy Families Published Charges	07/01/04 - 09/30/04						
31A		10/01/04 - 06/30/05						
32	Healthy Families Negotiated Rates	07/01/04 - 09/30/04						
32A		10/01/04 - 06/30/05						
33	Non-Medi-Cal Costs		1,580		(0)	520		(0)

DETAIL COST REPORT

ALLOCATION OF COSTS TO SERVICE
FUNCTIONS - MODE TOTAL

MH 1966 (Rev. 7/05)

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FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

Legal Entity: SANTA CRUZ COUNTY			MHS	MHS				
Legal Entity Number: 00044			H	I	J	K	L	M
Mode: 15 - Outpatient Services (Program 2)			Service	Service	Service	Service	Service	Service
			Function	Function	Function	Function	Function	Function
			50	60				
1	Allocation Percentage		0.34%	20.15%				
2	Total Units		2,760	68,700				
3	Gross Cost		1,589	93,545				
4	Cost per Unit		0.58	1.36				
5	SMA per Unit		2.44	4.51				
6	Published Charge per Unit							
7	Negotiated Rate / Cost per Unit							
8	Medi-Cal Units	07/01/04 - 09/30/04	1,380	17,400				
8A		10/01/04 - 06/30/05	1,380	49,500				
9	Medicare/Medi-Cal Crossover Units	07/01/04 - 09/30/04						
9A		10/01/04 - 06/30/05						
10	Enhanced SD/MC Units	07/01/04 - 09/30/04						
10A		10/01/04 - 06/30/05		345				
10B	Enhanced SD/MC (Refugees) Units	07/01/04 - 06/30/05						
11	Healthy Families (SED) Units	07/01/04 - 09/30/04						
11A		10/01/04 - 06/30/05		805				
12	Non-Medi-Cal Units			650				
13	Medi-Cal Costs	07/01/04 - 09/30/04	795	23,693				
13A		10/01/04 - 06/30/05	795	67,401				
14	Medi-Cal SMA Upper Limits	07/01/04 - 09/30/04	3,367	78,474				
14A		10/01/04 - 06/30/05	3,367	223,245				
15	Medi-Cal Published Charges	07/01/04 - 09/30/04						
15A		10/01/04 - 06/30/05						
16	Medi-Cal Negotiated Rates	07/01/04 - 09/30/04						
16A		10/01/04 - 06/30/05						
17	Medicare/Medi-Cal Crossover Costs	07/01/04 - 09/30/04						
17A		10/01/04 - 06/30/05						
18	Medicare/Medi-Cal Crossover SMA Upper Limits	07/01/04 - 09/30/04						
18A		10/01/04 - 06/30/05						
19	Medicare/Medi-Cal Crossover Published Charges	07/01/04 - 09/30/04						
19A		10/01/04 - 06/30/05						
20	Medicare/Medi-Cal Crossover Negotiated Rates	07/01/04 - 09/30/04						
20A		10/01/04 - 06/30/05						
21	Enhanced SD/MC Costs	07/01/04 - 09/30/04						
21A		10/01/04 - 06/30/05		470				
22	Enhanced SD/MC SMA Upper Limits	07/01/04 - 09/30/04						
22A		10/01/04 - 06/30/05		1,556				
23	Enhanced SD/MC Published Charges	07/01/04 - 09/30/04						
23A		10/01/04 - 06/30/05						
24	Enhanced SD/MC Negotiated Rates	07/01/04 - 09/30/04						
24A		10/01/04 - 06/30/05						
25	Enhanced SD/MC (Refugees) Costs	07/01/04 - 06/30/05						
26	Enhanced SD/MC (Refugees) SMA Upper Limits	07/01/04 - 06/30/05						
27	Enhanced SD/MC (Refugees) Published Charges	07/01/04 - 06/30/05						
28	Enhanced SD/MC (Refugees) Negotiated Rates	07/01/04 - 06/30/05						
29	Healthy Families Costs	07/01/04 - 09/30/04						
29A		10/01/04 - 06/30/05		1,096				
30	Healthy Families SMA Upper Limits	07/01/04 - 09/30/04						
30A		10/01/04 - 06/30/05		3,631				
31	Healthy Families Published Charges	07/01/04 - 09/30/04						
31A		10/01/04 - 06/30/05						
32	Healthy Families Negotiated Rates	07/01/04 - 09/30/04						
32A		10/01/04 - 06/30/05						
33	Non-Medi-Cal Costs			885				

DETAIL COST REPORT

**ALLOCATION OF COSTS TO SERVICE
FUNCTIONS - MODE TOTAL**

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FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

NR

Legal Entity: SANTA CRUZ COUNTY		A	B	C	D	E	F	G
Legal Entity Number: 00044		Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function	Service Function
Mode: 45 - Outreach Services			20					
1	Allocation Percentage		100.00%	100.00%				
2	Total Units		5,075					
3	Gross Cost	228,334	228,334					
4	Cost per Unit		44.99					
5	Non-Medi-Cal Units		5,075					
6	Non-Medi-Cal Costs	228,334	228,334					

DETAIL COST REPORT

ALLOCATION OF COSTS TO SERVICE
FUNCTIONS - MODE TOTAL

MH 1966 (Rev. 7/05)

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FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

County Code: 44		MAA		MAA	MAA	MAA	MAA	
Legal Entity: SANTA CRUZ COUNTY		A	B	C	D	E	F	G
Legal Entity Number: 00044		Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function	Service Function
Mode: 55 - Medi-Cal Administrative Activities								
			01	04	11	24	31	
1	Allocation Percentage	100.00%	24.80%	0.40%	20.11%	17.54%	37.14%	
2	Total Units		43,668	170	26,140	44,076	72,788	
3	Total Expenditures	425,448	105,532	1,717	85,544	74,630	158,025	
4	Cost per Unit		2.42	10.10	3.27	1.69	2.17	
5	Non-Medi-Cal Costs	50,920						

DETAIL COST REPORT

**ALLOCATION OF COSTS TO SERVICE
FUNCTIONS - MODE TOTAL**

MH 1966 (Rev. 7/05)

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FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

County Code: 44			CR	CR	CR	CR		
Legal Entity: SANTA CRUZ COUNTY		A	B	C	D	E	F	G
Legal Entity Number: 00044		Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function	Service Function
Mode: 60 - Support Services								
			20	30	40	60		
1	Allocation Percentage	100.00%	28.55%	50.25%	17.80%	3.40%		
2	Total Units		1,375	2,420	3,650	164		
3	Gross Cost	288,965	82,500	145,200	51,448	9,817		
4	Cost per Unit		60.00	60.00	14.10	59.86		
5	Non-Medi-Cal Units (Same as Line 2)		1,375	2,420	3,650	164		
6	Non-Medi-Cal Costs (Same as Line 3)	288,965	82,500	145,200	51,448	9,817		

DETAIL COST REPORT

DETERMINATION OF SD/MC DIRECT SERVICES AND MAA REIMBURSEMENT

MH 1968 (Rev. 7/05)

FISCAL YEAR 2004 - 2005

County Santa Cruz County Code 44			REIMBURSEMENT TYPE				PC	NR			Costs		
Legal Entity: SANTA CRUZ COUNTY			A	B	C	D	E	F	G	H	I	J	K
Legal Entity Number 00044			Mode 55				Total Inpatient Mode 05 Hospital Inpatient Services	Mode 05 Other 24 Hour Services	Mode 10 Day Services	Mode 15 Outpatient Services Program (1)	Total Outpatient Exclude Program (2)	Mode 15 Outpatient Services Program (2)	Total Outpatient (Col I + Col J)
			S F's 01-09	S F's 11-19, 31-39	S F's 21-29	Total MAA							
1	Medi-Cal Costs	07/01/04 - 09/30/04							32,097	2,284,026	2,316,123	116,346	2,432,469
1A		10/01/04 - 06/30/05								7,574,474	7,574,474	343,507	7,917,981
2	Medi-Cal SMA	07/01/04 - 09/30/04							16,093	2,624,806	2,640,899	309,493	2,950,392
2A		10/01/04 - 06/30/05								8,742,354	8,742,354	919,659	9,662,013
3	Medi-Cal P C	07/01/04 - 09/30/04							17,662	2,873,069	2,890,731		2,890,731
3A		10/01/04 - 06/30/05								9,568,809	9,568,809		9,568,809
4	Medi-Cal N R	07/01/04 - 09/30/04							16,093	1,964,621	1,980,714		1,980,714
4A		10/01/04 - 06/30/05								6,547,605	6,547,605		6,547,605
5	Medi-Cal Gross Reimbursement	07/01/04 - 09/30/04							16,093	1,964,621	1,980,714	116,346	2,097,060
5A		10/01/04 - 06/30/05								6,547,605	6,547,605	343,507	6,891,112
6	Medicare/Medi-Cal Crossover Cost	07/01/04 - 09/30/04								865	865		865
6A		10/01/04 - 06/30/05								2,597	2,597		2,597
7	Medicare/Medi-Cal Crossover SMA	07/01/04 - 09/30/04								927	927		927
7A		10/01/04 - 06/30/05								2,794	2,794		2,794
8	Medicare/Medi-Cal Crossover P. C.	07/01/04 - 09/30/04								1,015	1,015		1,015
8A		10/01/04 - 06/30/05								3,057	3,057		3,057
9	Medicare/Medi-Cal Crossover N. R.	07/01/04 - 09/30/04								707	707		707
9A		10/01/04 - 06/30/05								2,130	2,130		2,130
10	Medicare/Medi-Cal Crossover Gross Reim	07/01/04 - 09/30/04								707	707		707
10A		10/01/04 - 06/30/05								2,130	2,130		2,130
11	Total SD/MC + Crossover Gross Reim	07/01/04 - 09/30/04							16,093	1,965,328	1,981,421	116,346	2,097,767
11A		10/01/04 - 06/30/05								6,549,734	6,549,734	343,507	6,893,241
12	Enhanced SD/MC (Children) Cost	07/01/04 - 09/30/04								2,620	2,620	258	2,878
12A		10/01/04 - 06/30/05								25,437	25,437	1,486	26,923
13	Enhanced SD/MC (Children) SMA	07/01/04 - 09/30/04								3,062	3,062	586	3,648
13A		10/01/04 - 06/30/05								27,763	27,763	4,045	31,808
14	Enhanced SD/MC (Children) P. C.	07/01/04 - 09/30/04								3,351	3,351		3,351
14A		10/01/04 - 06/30/05								30,394	30,394		30,394
15	Enhanced SD/MC (Children) N. R.	07/01/04 - 09/30/04								2,334	2,334		2,334
15A		10/01/04 - 06/30/05								21,772	21,772		21,772
16	Enhanced SD/MC (Children) Gross Reim.	07/01/04 - 09/30/04								2,334	2,334	258	2,592
16A		10/01/04 - 06/30/05								21,772	21,772	1,486	23,258
17	Enhanced SD/MC (Refugees) Cost	07/01/04 - 06/30/05											
18	Enhanced SD/MC (Refugees) SMA	07/01/04 - 06/30/05											
19	Enhanced SD/MC (Refugees) P. C.	07/01/04 - 06/30/05											
20	Enhanced SD/MC (Refugees) N. R.	07/01/04 - 06/30/05											
21	Total Medi-Cal Gross Reimbursement	07/01/04 - 09/30/04							16,093	1,967,662	1,983,755	116,604	2,100,359
21A	(Excludes Refugees)	10/01/04 - 06/30/05								6,571,506	6,571,506	344,993	6,916,499
22	Enhanced SD/MC (Refugees) Gross Reim.	07/01/04 - 06/30/05											
23	Healthy Families Cost	07/01/04 - 09/30/04								21,762	21,762		21,762
23A		10/01/04 - 06/30/05								68,232	68,232	1,096	69,328
24	Healthy Families SMA	07/01/04 - 09/30/04								24,255	24,255		24,255
24A		10/01/04 - 06/30/05								74,141	74,141	3,631	77,771
25	Healthy Families P. C.	07/01/04 - 09/30/04								26,546	26,546		26,546
25A		10/01/04 - 06/30/05								81,156	81,156		81,156
26	Healthy Families N. R.	07/01/04 - 09/30/04								18,688	18,688		18,688
26A		10/01/04 - 06/30/05								57,793	57,793		57,793
27	Healthy Families Gross Reim	07/01/04 - 09/30/04								18,688	18,688		18,688
27A		10/01/04 - 06/30/05								57,793	57,793	1,096	58,889
Less: Patient and Other Payor Revenue													
28	SD/MC + Crossover Revenue	07/01/04 - 09/30/04								15,446	15,446		15,446
28A		10/01/04 - 06/30/05								52,424	52,424		52,424
29	Enhanced SD/MC (Children) Revenue												
30	Enhanced SD/MC (Refugees) Revenue												
31	Healthy Families Revenue												
32	Total Expenditures from MAA (Mode 55)		107,249	243,569	74,630	425,448							
33	Medi-Cal Eligibility Factor (Average)			84.00%									
34	Revenue - MAA												
35	Net Due - SD/MC for Direct Services	07/01/04 - 09/30/04	107,249	204,592	62,687	374,528			16,093	1,952,216	1,968,309	116,604	2,084,913
35A		10/01/04 - 06/30/05								6,519,082	6,519,082	344,993	6,864,075
36	Net Due - Enhanced SD/MC (Refugees)												
37	Net Due - Healthy Families	07/01/04 - 09/30/04								18,688	18,688		18,688
37A		10/01/04 - 06/30/05								57,793	57,793	1,096	58,889
Amount Negotiated Rates Exceed Costs													
38	SD/MC (Includes Children)	07/01/04 - 09/30/04											
38A		10/01/04 - 06/30/05											
39	Enhanced SD/MC (Refugees)												
40	Healthy Families	07/01/04 - 09/30/04											
40A		10/01/04 - 06/30/05											

DETAIL COST REPORT

SD/MC PRELIMINARY DESK SETTLEMENT

MH 1979 (Rev. 7/05)

FISCAL YEAR 2004 - 2005

County: Santa Cruz
County Code: 44

Legal Entity: SANTA CRUZ COUNTY			A	B	C	D	E	F	G	H	I	J
Legal Entity Number: 00044			Total MAA	Total Inpatient	Total Outpatient	Total	50.00% FFP	50.00% FFP	50.00% FFP	Variable % FFP	75.00% FFP	Total FFP
	SD/MC Administrative Reimbursement (County Only)											
1	County SD/MC Direct Service Gross Reimbursement				9,016,858	9,016,858						
2	Contract Providers Medi-Cal Direct Service Gross Reimbursement			2,225,502	11,130,855	13,356,357						
3	Total Medi-Cal Direct Service Gross Reimbursement					22,373,215						
4	Medi-Cal Administrative Reimbursement Limit					3,355,982						
5	Medi-Cal Administration					2,206,523						
6	Medi-Cal Administrative Reimbursement					2,206,523	1,103,262					1,103,262
	Healthy Families Administrative Reimbursement (County Only)											
7	County Healthy Families Direct Service Gross Reimbursement				77,577	77,577						
7A	Contract Providers Healthy Families Direct Service Gross Reim.				174,911	174,911						
7B	Total Healthy Families Direct Service Gross Reimbursement					252,488						
8	Healthy Families Administrative Reimbursement Limit					25,249						
9	Healthy Families Administration					19,621						
10	Healthy Families Administrative Reimbursement					19,621				12,754		12,754
	SD/MC Net Reimbursement for MAA											
11	Medi-Cal Admin. Activities Svc Functions 01 - 09		107,249			107,249	53,625					53,625
12	Medi-Cal Admin. Activities Svc Functions 11 - 19, 31 - 39		204,592			204,592	102,296					102,296
13	Medi-Cal Admin. Activities Svc Functions 21 - 29 (County Only)		62,687			62,687					47,016	47,016
14	Utilization Review-Skilled Prof. Med. Personnel (County Only)					845,389					634,042	634,042
15	Other SD/MC Utilization Review (County Only)					189,680	94,840					94,840
16	SD/MC Net Reimbursement for Direct Services	07/01/04 - 09/30/04			2,082,321	2,082,321		1,041,161				1,041,161
16A		10/01/04 - 06/30/05			6,840,817	6,840,817		3,420,409			3,420,409	
17	Enhanced SD/MC Net Reimb. (Children)	07/01/04 - 09/30/04			2,592	2,592				1,685		1,685
17A		10/01/04 - 06/30/05			23,258	23,258				15,118		15,118
18	Enhanced SD/MC Net Reimb. (Refugees)											
19	Total SD/MC Reimbursement Before Excess FFP											6,513,451
20	Amount Negotiated Rates Exceed Costs - SD/MC & Enh SD/MC											
21	Total SD/MC Reimbursement (FFP)											6,513,451
22	Contract Limitation Adjustment											
23	Adjusted Total SD/MC Reimbursement (FFP)											6,513,451
24	Healthy Families Net Reimbursement	07/01/04 - 09/30/04			18,688	18,688				12,147		12,147
24A		10/01/04 - 06/30/05			58,889	58,889				38,278		38,278
25	Total Healthy Families Reimbursement Before Excess FFP											63,179
26	Amount Negotiated Rates Exceed Costs - Healthy Families											
27	Total Healthy Families Reimbursement											63,179

Santa Cruz County
Community Mental Health Services
MANAGEMENT COMMENTS AND RECOMMENDATIONS
for Fiscal Period Ended June 30, 2005

1. Comment: Insufficient State Financial Participation

Our examination disclosed that Form MH 1992 of the cost reports of several providers rendering services to the County on a contractual basis did not have sufficient matching funds to justify the amount of Federal Financial Participation (FFP) included in the various cost reports.

Section 433.50 of Title 42 of the Code of Federal Regulations (CFR) states, in part:

“(a) Basis. This part interprets and implements—(1) Section 1902(a)(2) of the Act, which requires States to share in the cost of medical assistance expenditures and permits both state and local governments to participate in the financing of the non-federal portion of the medical assistance expenditures,...”

According to Section 433.51(a):

“Funds from units of local governments may be considered as the State’ share in claiming FFP if they meet the conditions specified in paragraphs (b) and (c) of this section.

(b) The funds from units of government are appropriated directly to the State of Local Medicaid agency, or are transferred from other units of government (including Indian tribes) to the State of local agency and are under its administrative control, or are certified by the contributing unit of government as representing expenditures eligible for FFP under this section. Certified public expenditures must be expenditure within the meaning of 45 CFR 95.13 that are supported by auditable documentation in a form approved by the secretary...”

(c) “The funds from units of government are not federal funds, or are federal funds authorized by federal law to be used to match of other federal funds.”

Based on the contents of the MH 1992 for several contract providers of Santa Cruz County, sufficient state financial participation was not supportable. Adjustments were made for these particular contract providers. Please see Adjustment No. 97.

Santa Cruz County
Community Mental Health Services
MANAGEMENT COMMENTS AND RECOMMENDATIONS
for Fiscal Period Ended June 30, 2005

Audit Authority

- Title 42 Sections 433.50 and 433.51
- Cost and Financial Reporting System (CFRS) Instruction Manual Fiscal Year 2004-2005

Recommendation

We recommend that the County ensure that sufficient matching funds are available for all public expenditure that have been certified for FFP. The lack of adherence to this requirement will continue to result in audit exceptions in the future.

Auditees Response

Santa Cruz County does have sufficient matching funds available on a countywide basis for all certified FFP expenditures.

This audit finding is the result of the County calculating FFP on the state cost report spreadsheet based on the negotiated rates (approved by the State Department of Mental Health) per the cost report instructions. The FFP calculated in the state cost report spreadsheet directly affected the amount of other funding that could be reported, as total funding cannot exceed 100% of costs. If the State reduces the amount of FFP claimed per this finding, other County funds could be inserted into the State cost report spreadsheet, thereby providing the FFP match required. The audit report uses the original funding sources reported which fails to recognize that if FFP is reduced, county over-match needs to be increased to account for the total funding. It is the County's position that FFP should not be reduced below 50% of the amount paid to the contractor for Medi-Cal services. Also, Audits is not allowing the correction of incorrect revenue allocations which directly affects the amount of county over-match used to fund the payments to contractors.

In summary, the County of Santa Cruz does have sufficient matching funds for all public expenditures. However, the mechanics of the required State cost report spreadsheet does not properly reflect how match is displayed for each negotiated rate service for each provider, thereby leading to this audit finding.